

## **IC 6-3.1-27**

### **Chapter 27. Blended Biodiesel Tax Credits**

## **IC 6-3.1-27-1**

### **"Biodiesel"**

Sec. 1. As used in this chapter, "biodiesel" means a renewable, biodegradable, mono alkyl ester combustible liquid fuel derived from agricultural plant oils or animal fats that meets American Society for Testing and Materials specification D6751-02 for biodiesel fuel (B100) blend stock distillate fuels.

*As added by P.L.224-2003, SEC.199.*

## **IC 6-3.1-27-2**

### **"Blended biodiesel"**

Sec. 2. As used in this chapter, "blended biodiesel" refers to a blend of biodiesel with petroleum diesel so that the percentage of biodiesel in the blend is at least two percent (2%) (B2 or greater). The term does not include biodiesel (B100).

*As added by P.L.224-2003, SEC.199.*

## **IC 6-3.1-27-3**

### **"Dealer"**

Sec. 3. As used in this chapter, "dealer" has the meaning set forth in IC 6-6-1.1-103.

*As added by P.L.224-2003, SEC.199.*

## **IC 6-3.1-27-4**

### **"Pass through entity"**

Sec. 4. As used in this chapter, "pass through entity" means:

- (1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);
- (2) a partnership;
- (3) a limited liability company; or
- (4) a limited liability partnership.

*As added by P.L.224-2003, SEC.199.*

## **IC 6-3.1-27-5**

### **"Service station"**

Sec. 5. As used in this chapter, "service station" means a retail outlet where a dealer sells a motor fuel through a metered pump.

*As added by P.L.224-2003, SEC.199.*

## **IC 6-3.1-27-6**

### **"State tax liability"**

Sec. 6. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

- (1) IC 6-2.5 (the state gross retail and use tax);
- (2) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- (3) IC 6-5.5 (the financial institutions tax); and
- (4) IC 27-1-18-2 (the insurance premiums tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

*As added by P.L.224-2003, SEC.199.*

#### **IC 6-3.1-27-7**

##### **"Taxpayer"**

Sec. 7. As used in this chapter, "taxpayer" means an individual or entity that has any state tax liability.

*As added by P.L.224-2003, SEC.199.*

#### **IC 6-3.1-27-8**

##### **Biodiesel production tax credit**

Sec. 8. (a) A taxpayer that produces biodiesel at a facility located in Indiana is entitled to a credit against the taxpayer's state tax liability equal to the product of:

- (1) one dollar (\$1); multiplied by
- (2) the number of gallons of biodiesel:
  - (A) produced at the Indiana facility during the taxable year; and
  - (B) used to produce blended biodiesel.

(b) The credit provided by this section shall be reduced by any credit or subsidy that the taxpayer is entitled to receive from the federal government for the production of biodiesel by the taxpayer.

(c) The total amount of credits allowed under this section may not exceed one million dollars (\$1,000,000) for all taxpayers and all taxable years.

*As added by P.L.224-2003, SEC.199.*

#### **IC 6-3.1-27-9**

##### **Blended biodiesel production credit**

Sec. 9. (a) A taxpayer that produces blended biodiesel at a facility located in Indiana is entitled to a credit against the taxpayer's state tax liability equal to the product of:

- (1) two cents (\$0.02); multiplied by
- (2) the number of gallons of blended biodiesel:
  - (A) produced at the Indiana facility; and
  - (B) blended with biodiesel produced at a facility located in Indiana.

(b) The credit provided by this section shall be reduced by any credit or subsidy that the taxpayer is entitled to receive from the federal government for the production of blended biodiesel by the taxpayer.

(c) The total amount of credits allowed under this section may not exceed one million dollars (\$1,000,000) for all taxpayers and all taxable years.

*As added by P.L.224-2003, SEC.199.*

#### **IC 6-3.1-27-10**

##### **Credit for sale of blended biodiesel**

Sec. 10. (a) A taxpayer that:

- (1) is a dealer; and
- (2) operates a service station in Indiana at which blended biodiesel is sold and dispensed through a metered pump in a taxable year;

is entitled to a credit against the taxpayer's state tax liability.

(b) The amount of the credit allowed under this section is the product of:

- (1) one cent (\$0.01); multiplied by
- (2) the total number of gallons of blended biodiesel sold and dispensed through all the metered pumps located at a service station described in subsection (a)(2).

(c) The credit allowed under this section must be computed separately for each service station operated by the taxpayer that meets the requirements of subsection (a)(2).

(d) The total amount of credits allowed under this section may not exceed one million dollars (\$1,000,000) for all taxpayers and all taxable years.

*As added by P.L.224-2003, SEC.199.*

#### **IC 6-3.1-27-11**

##### **Pass through entities**

Sec. 11. If a pass through entity is entitled to a credit under this chapter but does not have state tax liability against which the tax credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:

- (1) the tax credit determined for the pass through entity for the taxable year; multiplied by
- (2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

*As added by P.L.224-2003, SEC.199.*

#### **IC 6-3.1-27-12**

##### **Carryover of tax credits**

Sec. 12. (a) If the amount of the credit determined under this chapter for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry over the excess to the following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year.

(b) A taxpayer is not entitled to a carryback or refund of any unused credit.

*As added by P.L.224-2003, SEC.199.*

#### **IC 6-3.1-27-13**

##### **Claiming credit**

Sec. 13. To receive the credit provided by this chapter, a taxpayer must claim the credit on the taxpayer's state tax return or returns in the manner prescribed by the department. The taxpayer shall submit

to the department proof of all information that the department determines is necessary for the calculation of the credit provided by this chapter.

*As added by P.L.224-2003, SEC.199.*